The Aluminum Situation

ECONOMICS AND STATISTICS — OCTOBER 1989

INDUSTRY SHIPMENTS DECLINE 0.2 PERCENT

Total industry net shipments for eight months of 1989, reported at 10,946 million pounds, were down 0.2 percent from the eight month 1988 total of 10,973 million pounds.

Domestic shipments of 9,449 million pounds decreased 4.5 percent from the eight month 1988 total of 9,894 million pounds.

Exports of ingot and mill products of 1,497 million pounds are up 38.7 percent from eight months of 1988. Imports decreased 5.1 percent for the same period.

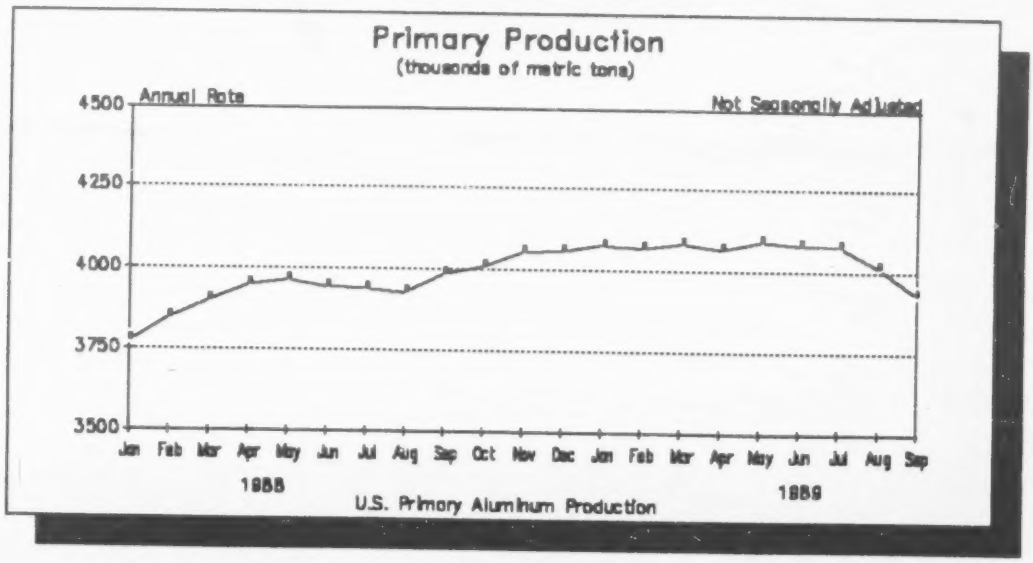
THRU AUGUST 1989

	1989 8 Mos.	1988 8 Mos.	% Change
Mill Products	8,995	8,915	0.9
Ingot	1,951	2,058	-5.2
Total	10,946	10,973	-0.2
Less Exports	1,497	1,079	38.7
Domestic Total	9,449	9,894	-4.5

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE AVERAGES 10,771 METRIC TONS

U.S. primary aluminum production averaged 10,771 metric tons daily during September 1989. This compares with an average of 10,885 metric tons a day in September 1988 and 10,996 metric tons a day in August 1989. The annual rate of production in September 1989 was 3,931,342 metric tons compared with 3,983,751 metric tons in September 1988 and 4,013,387 metric tons in August 1989. Actual production in September 1989 was 323,124 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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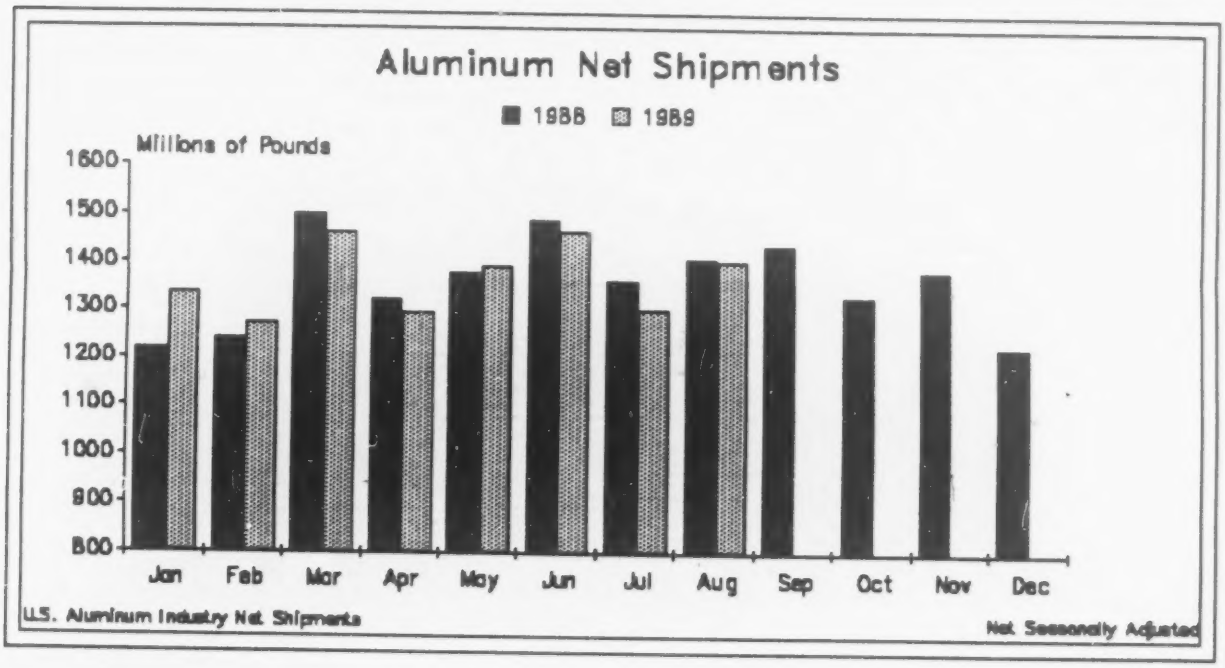
INDUSTRY NET SHIPMENTS DECREASE 0.2 PERCENT

Total industry net shipments for eight months of 1989, reported at 10,946 million pounds, were down 0.2 percent from the eight month 1988 total of 10,973 million pounds. Domestic shipments of 9,449 million pounds decreased 4.5 percent from the eight month 1988 total of 9,894 million pounds.

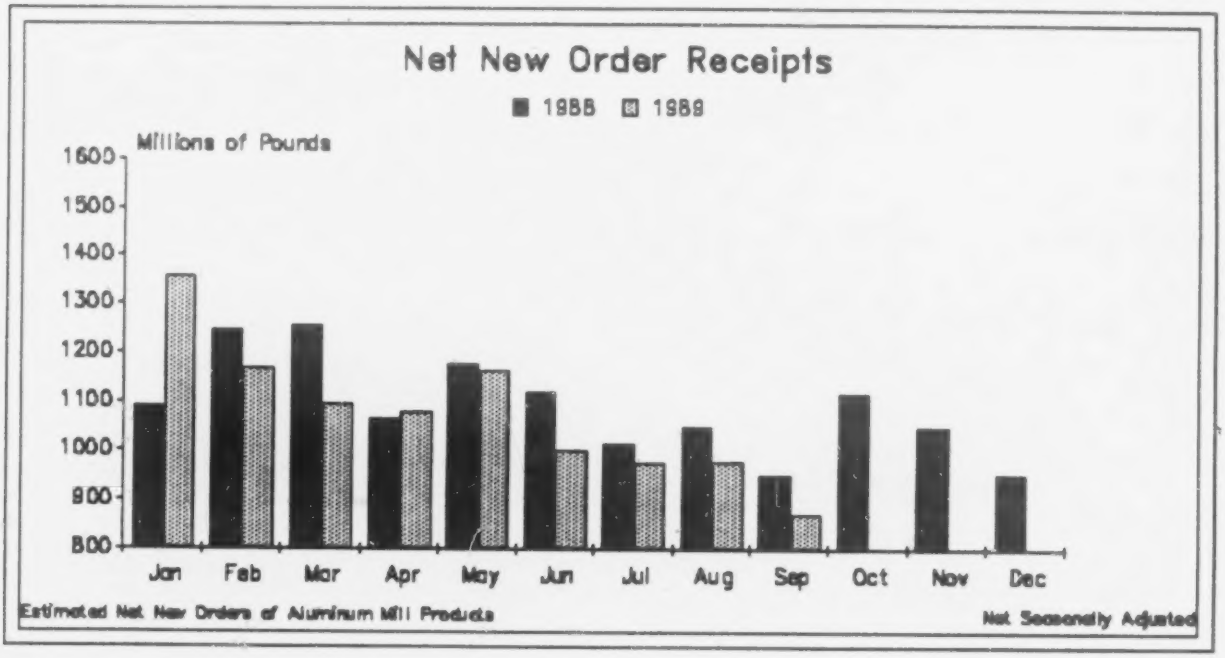


NET SHIPMENTS (Millions of Pounds)	1989 August	1988 August	1989 8 Mos.	1988 8 Mos.	% Change 1989 vs 1988
Sheet	659.4	645.9	5,083.2	4,798.0	5.9
Plate	27.7	25.6	215.1	202.5	6.2
Foil	78.1	79.3	599.3	647.3	-7.4
Rod, Bar & Wire	13.4	15.8	177.9	197.0	-9.7
Elec. Conductor	59.8	59.5	475.3	439.1	8.2
Extruded Shapes, Tube	234.6	241.9	1,831.0	1,836.1	-0.3
Powder & Paste	8.9	6.9	63.5	58.0	9.5
Forgings & Impacts	12.7	13.8	107.3	113.9	-5.8
Net Imports of Mill Products (Total) (a)	59.4	57.5	442.1	623.0	-29.0
Total Mill Products	1,154.0	1,146.1	8,994.6	8,915.0	0.9
Ingot	253.4	268.1	1,951.4	2,057.8	-5.2
TOTAL INDUSTRY SHIPMENTS	1,407.4	1,414.2	10,946.0	10,972.8	-0.2
Exports	221.2	177.4	1,497.3	1,079.2	38.7
TOTAL DOMESTIC SHIPMENTS	1,186.3	1,236.9	9,448.7	9,893.6	-4.5

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data may include revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 2.8 PERCENT

Estimated net new order receipts of aluminum mill products for nine months of 1989, totaling 9,704 million pounds, declined 2.8 percent from a nine month 1988 total of 9,984 million pounds. September order receipts of 872 million pounds decreased 10.9 percent from a August 1989 figure of 979 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 Sept.	1988 Sept.	1989 9 Mos.	1988 9 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	264.8	301.2	3,196.1	3,357.1	-4.8
Can Stock (a)	259.6	266.4	2,896.5	2,992.4	-3.2
Foil	76.3	69.9	756.1	751.1	0.7
Bar, Rod & Wire	33.1	36.5	312.6	355.6	-12.1
Electrical Conductor	45.3	89.2	503.3	608.4	-17.3
Extruded Shapes & Tube	172.1	163.7	1,839.5	1,717.2	7.1
Powder & Paste	10.6	12.6	86.1	86.1	0.0
Forgings & Impacts	10.2	12.8	113.8	115.9	-1.8
Total Mill Products	872.0	952.3	9,704.0	9,983.8	-2.8

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 104 MILLION POUNDS

Producer inventories decreased in August 1989 to a reported total of 4,370 million pounds. This represents a 104 million pound decline from the July 1989 level of 4,474 million pounds.

Month-End Aluminum Producer Inventories - By Type of Producer
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
June	4,275	1,513	595	2,167
July	4,474r	1,660r	642r	2,172r
August	4,370	1,572	634	2,164

Source: Bureau of the Census, U.S. Department of Commerce.
(e) Estimated by the Aluminum Association

CUSTOMER INVENTORIES REPORTED AT 33.6 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of August 31, 1989 was 33.6, up 0.9 percent from inventories reported at the end of July 1989.

Month-End Aluminum Customer Inventories
(Average Number of Days)

June	32.4
July	33.3
August	33.6

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* August	1988 August	1989* 8 Mos.	1988 8 Mos.	% Change 1989 vs 1988
Imports	Mill Products	88.5	73.9	668.4	678.7	-1.5
	Ingot	202.8	175.9	1,474.2	1,580.2	-6.7
	Total	291.3	249.8	2,142.6	2,258.9	-5.1
	Scrap (+ dross)	49.3	35.8	323.4	301.9	7.1
	Grand Total	340.6	285.6	2,466.1	2,560.8	-3.7
Exports	Mill Products	106.4	79.8	777.9	557.7	39.5
	Ingot	114.8	97.6	719.4	521.4	38.0
	Total	221.2	177.4	1,497.3	1,079.2	38.7
	Scrap	117.3	96.7	847.3	671.9	26.1
	Grand Total	338.5	274.1	2,344.7	1,751.0	33.9
Net Imports		2.1	11.5	121.4	809.7	-85.0

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989